

Estate of Chemetco, Inc.

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August 9, 2012

Erin Rednour
State Project Coordinator
Illinois EPA RPMS/BOL
1021 North Grand Avenue East
Springfield, IL 62794-9276

James L. Morgan
Assistant Attorney General
Environmental Bureau
500 Second Street
Springfield, IL 62706

Re: **Monthly Status Report (August, 2012)**
Interim Order (Civil Case No.00-cv-670-DRH-DGW
00-cv-670-DRH (consolidated))

Dear Mrs. Rednour and Mr. Morgan:

As required in the Interim Order (IO), this letter documents the progress by the Bankruptcy Estate of Chemetco, Inc. ("Estate") during the month of July under the approved work plans; (Demolition Work Plan, Scrap Metal Work Plan, Copper Furnace Cleanup Solids (CFCS), Scrubber Sludge Work Plan, etc) as indicated in the Extended Interim Order. In addition, an Addendum 2 to the CFCS work plan and Copper Zinc and Lead Concentrate (Mixed Fines) Work Plan were electronically submitted on July 12, 2012 to Illinois Environmental Protection Agency (IEPA) for approval. It should be noted that the Interim Order has been further extended through September 4, 2012 in order to complete the work already in progress under the IO.

Demolition Report

On July 3, 2012, the Estate received comments to the Demolition Completion Report (DCR) from the Illinois Environmental Protection Agency (IEPA) and United States Environmental Protection Agency (USEPA). The Estate is in the process of preparing responses.

Scrap Metal Work Plan

During the month of July, limited scrap metal was gathered, but was not sold.

Scrubber Sludge Work Plan

On July 6 and July 11, 2012 the Estate requested verbal approval from IEPA to bag all of the remaining material and temporarily store the bags in the receiving building and Tank House to determine the final volume. The objective was to determine how much material remained and how many containers would be needed to complete the shipment. Approximately (~720 metric tons) of scrubber sludge and scrubber sludge mixed with fines was loaded by the Estate and Aerotek Services into 1 Metric Ton Supersacks. California Metals and Alloy Company (CMAC) reserved 36 containers to load the remaining material. During the month of July, no containers were loaded or shipped internationally to China.

Scheduled Action Items for Next Month

Demolition Report

On July 3, 2012, the Estate received comments from IEPA and USEPA on the DCR. The Estate will begin preparing response to comments.

Disposal of Bins

The following containers were properly disposed during the month of July:

- Two- 20 cubic yard (CY) roll offs containing former feedstock material and crushed drums that contained the feedstock not used by Chemetco were sent to EQ- RCRA Hazardous Waste landfill in Bellevue, Michigan for proper disposal.
- One- 40 CY roll off containing misc debris (plastic, PPE, metal pipe, wooden pallets, metal, PVC pipe, etc) associated with the scrubber sludge and scrubber sludge mixed with fines loading activities. The roll off was sent to the Heritage RCRA Hazardous Waste landfill in Indianapolis for proper disposal.

Other Work Plan Activities

Scrubber Sludge

The Estate and Paradigm will continue loading the material during the month of August.

Addendum 2 to Copper Furnace Cleanup Solids (CFCS)

Upon IEPA approval, the Estate and Paradigm will begin loading activities and sell the CFCS to CMAC.

Scrap Metals

The Estate will continue gathering scrap metal throughout the site when there are no loading activities of scrubber sludge material. The gathered scrap metal will be placed in a roll off containers provided by Grossman Steel and will be sold for recycling.

Copper Zinc and Lead Concentrate (Mixed Fines) Work Plan

Upon IEPA approval, the Estate and Paradigm will begin screening the material which currently contains miscellaneous debris prior to loading the material in 1 MT supersacks. It should be noted that the screened miscellaneous debris will be properly disposed.

Furnaces Removal Work Plan

Negotiations between Metallo and the Estate of Chemetco regarding the purchasing of the three-TBRC metal furnaces located in the interior area of the former foundry building continue. A Furnace Removal Work Plan will be submitted once negotiations are complete.

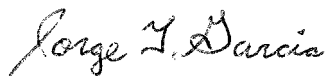
Circuitry Board and Shredded Board Material Work Plan

On May 21, 2012 the Estate received from IEPA a conditional approval addendum to the Circuitry Board and Shredded Board Material Work Plan. The Estate is waiting for a certificate of recycling that was not included in the January 26th submittal and will submit a copy of the certificate to IEPA once it is received from the buyer.

The next monthly progress report is due by the 10th of September. It should also be noted that as required by paragraph 34 of Section X. REPORTING REQUIREMENTS of the Interim Order, a quarterly progress report is also being submitted to IEPA and USEPA. If you have any questions, please do not hesitate to contact me at my office, 618/254-4381 x372 or by cell phone at 314-348-8211.

Sincerely

ESTATE OF CHEMETCO, INC.



Jorge Y. Garcia PG
EH&S Manager

CC: Michelle Kerr, USEPA Region 5 Superfund
Chris Cahnovsky, Regional Mgr, IEPA-Collinsville Office
Donald Samson, Trustee
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